UNITED NATIONS

TCDC

Technical cooperation among developing countries

Distr.
LIMITED

TCDC/10/L.3/Add.1
7 May 1997

ORIGINAL: ENGLISH

HIGH-LEVEL COMMITTEE ON THE REVIEW
OF TECHNICAL COOPERATION AMONG
DEVELOPING COUNTRIES
Tenth session
New York, 5-9 May 1997

DRAFT REPORT

Rapporteur: Mr. Sandagdorj ERDENEBILEG (Mongolia)

Addendum

III. REPORTS ON IMPLEMENTATION

(Agenda items 5, 6 and 7)

A. Statement by the Associate Administrator of the United Nations Development Programme

1. In his opening statement, the Associate Administrator of UNDP noted the significant increase in the interest in TCDC and South-South cooperation in the recent past as a strategy for ensuring the effective participation of the developing countries in the emerging global economic order. He referred to the South-South Conference on Trade, Finance and Investment, held in San José, Costa Rica, from 13 to 15 January 1997 and the New Delhi conference of the Movement of Non-Aligned Countries which identified practical initiatives to advance such cooperation. He also referred to the importance placed on South-South cooperation in the reform proposals of the Secretary-General.

2. He stated that the increased interest in TCDC was partly due to the availability of relevant technical capacities in the developing countries, especially in East Asia and Latin America. He indicated that increased levels of growth in the developing countries, coupled with the demographic revolution, which would locate an increased proportion of the world's population in the South, were likely to shift the dynamics of growth to the developing countries making TCDC all the more important as a strategy of development. He also stated that globalization demanded increased cooperation among developing countries so that the less developed among them were not marginalized.

3. He mentioned that in recognition of those developments the High-level Committee at its ninth session had adopted the new directions strategy focusing on such priority issues as trade and investment, poverty eradication, environment, production and employment and macro-economic policy formulation and management; seeking operational integration between TCDC and ECDC; identifying TCDC pivotal countries and involving them in cooperative undertakings with other developing countries; and expanding the TCDC-Information Referral System (INRES) into a multi-dimensional user-friendly information system.

4. Regarding the implementation of the new directions strategy, the Associate Administrator highlighted a number of initiatives supported by the Special Unit for TCDC in respect of the Programme of Action for the Sustainable Development of Small Island Developing States, Asia-Africa cooperation in the context of the Bandung Framework for Asia-Africa Cooperation, and cooperation between Latin America and the economies in transition in East Europe and Central Asia. He also referred to other efforts such as the exchange of experiences among small enterprises, replication of successful poverty eradication measures in Latin America and the Caribbean, formation of technical networks on biosystematics in South-East Asia, the Pacific region and East Africa, the establishment of the International Network on Small Hydropower and the support provided to the Group of 77, the South Centre and the Third World Network (TWN) to identify policy options for trade and investment and to enable the developing countries to respond to the challenges and opportunities of globalization.

5. The Associate Administrator stated that the elaboration of the programmatic framework for the promotion of TCDC enshrining the new directions strategy was provided in the TCDC cooperation framework for the period 1997-1999. The framework covered two broad areas of activities, namely, support for sustainable human development and the promotion of TCDC. The effort would be facilitated by the separate allocation of resources for TCDC by the Executive Board and the resources likely to be available under the Trust Fund for South-South cooperation established in accordance with the provisions of General Assembly resolution 50/119 of 20 December 1995.

6. He expressed the hope that the three main reports providing information on implementation of TCDC and its promotion by the United Nations development system supplemented by the presentations to be made by selected delegations on their TCDC experiences would help the High-level Committee to carry out an in-depth review of TCDC and to provide guidance on the subject.

B. Introduction of the reports by the Director of the Special Unit for Technical Cooperation among Developing Countries - highlights of the progress reports

7. The Director of the Special Unit for TCDC introduced the following three reports submitted for the consideration of the High-level Committee:

(a) Review of progress made in implementing the Buenos Aires Plan of Action, the decisions of the High-level Committee and the recommendations of the South Commission (TCDC/10/2);

(b) Progress made in the implementation of the new directions strategy for TCDC (TCDC/10/3);

(c) Consideration of the reports of the Administrator (TCDC/10/4) on implementation of the guidelines for the review of policies and procedures for TCDC and on organizational and supportive arrangements for TCDC.

Review of progress made in implementing the Buenos Aires Plan of Action, the decisions of the High-level Committee and the recommendations of the South Commission

8. The report provides an analytical summary of the information received from member Governments, organizations and agencies of the United Nations development system and select intergovernmental and non-governmental organizations on the policies and activities undertaken to promote and apply TCDC during the biennium 1995-1996.

9. Despite internal institutional, attitudinal and resource constraints, TCDC continues to be a modality widely used by developing countries in bilateral, subregional, regional and interregional arrangements. All responding countries recognize the need to foster understanding of the concept of TCDC and its procedures and mechanisms and to adopt effective TCDC policies. Sensitization workshops, strengthening of national focal points and the identification of capacities and needs have received considerable emphasis in most countries.

10. A number of countries allocated significant resources for TCDC activities from their national budgets, and/or UNDP country allocations. This is particularly true of countries such as Benin, Bhutan, Brazil, Chile, China, Colombia, Ecuador, El Salvador, Ghana, Haiti, Indonesia, India, Malaysia, Nigeria, Pakistan, Panama, Paraguay, Samoa, Sri Lanka, Seychelles, the Republic of Korea, Thailand, Tunisia, and Turkey.

11. A number of regional institutions such as the Latin American Economic System (SELA), non-governmental organizations such as TWN, as well as intergovernmental organizations such as the South Centre have played an active role in the promotion of TCDC and ECDC.

12. Only three developed countries namely, Austria, France and the Netherlands, have indicated specific assistance in support of TCDC. But many developed countries directly or indirectly support TCDC; Japan, for example, allocated $2 million for South-South cooperation during 1997.

13. In UNDP, an effort has been made by the regional bureaux and country offices to integrate TCDC in national and regional technical cooperation programmes. In Africa-Asia cooperation efforts, Latin America and Commonwealth of Independent States cooperation programmes, regional programmes in Arab states and regional cooperation programmes in Asia and the Pacific, the regional bureaux have played important roles, sometimes initiating and on other occasions supporting cooperation programmes.

14. The Special Unit for TCDC continues to serve as a catalyst and an active partner with national Governments and organizations and agencies of the United

Nations system in promoting and monitoring the global application of TCDC. During the fifth cycle the Special Unit supported in excess of 130 interventions globally in four broad categories of activities: (a) promotion and sensitization; (b) enhancement of national capacities for the management of TCDC; (c) capacities and needs matching exercises and subject-specific workshops; and (d) the sponsorship of studies and evaluations in respect of TCDC activities.

15. Other organizations and agencies of the United Nations development system have similarly played an active role in supporting TCDC, both in terms of articulating approaches to the concept in their respective areas of competence and in executing specific TCDC projects. For example, the United Nations Conference on Trade and Development (UNCTAD) has been particularly active in the promotion of South-South trade and finance; the United Nations Industrial Development Organization (UNIDO) in supporting Group of 77 initiatives for cooperation; FAO in introducing a specific mechanism for use of technical resources of the developing economies; and ILO, UNFPA and WHO in applying the TCDC modality through decentralization of their operations to the regions and subregions. The regional economic commissions have contributed significantly to advancing South-South cooperation by promoting regional and subregional cooperation in different fields.

16. It is difficult to assess accurately the exact level of resources allocated by the United Nations development system in support of TCDC. However, it is estimated that UNDP allocated approximately $50 million during the biennium 1995-1996.

17. Despite the considerable progress made in recent years in promoting TCDC, a number of policy-related, institutional, attitudinal and procedural problems would need to be addressed if the full potential of TCDC is to be realized. First, many developing countries still need consciously to integrate TCDC as a central element of their national development strategy. Second, they need to put in place appropriate institutional arrangements to support the effective functioning of TCDC focal points with both human and financial resources. Third, considerable attitudinal barriers still need to be overcome. Finally, financing of TCDC would need to be substantially increased by all development partners through allocations from national budgets of developing countries, earmarked aid of donor countries for triangular cooperation and mainstreaming of TCDC in the activities of multilateral donor agencies.

Progress made in the implementation of the new directions strategy for technical cooperation among developing countries

18. The report presents a brief outline of the new directions strategy and identifies initiatives that have been implemented in support of the strategy. Specific examples of such initiatives relate to support provided for the implementation of the small island developing States technical assistance programme; follow-up to the United Nations Conference on Human Settlements (Habitat II) in terms of exchange of successful urban management experiences; cooperation between Latin American countries and the economies in transition in East Europe and Central Asia; the replication of successful poverty eradication

experiences in Latin America; and the establishment of bio-systematics networks in East Asia, the Pacific and East Africa.

19. An example of targeting the private sector is the programme of exchange of experiences among small enterprises while the increased links with non-governmental organizations is reflected in the support provided to TWN. These initiatives reflect a conscious strategy of incorporating new actors in the implementation of TCDC. An effort to reorient capacity and needs matching exercises is reflected in the Haiti exercise and the follow-up action in respect of the Bangladesh exercise. The establishment of the International Network on Small Hydropower in Hangzhou province in China represents a noteworthy achievement in the area of the environment. A TCDC/ECDC linkage is also reflected in the support provided to the South-South Conference on Trade, Finance and Investment held at San José.

20. A number of countries have been identified as pivotal countries to serve as catalysts for the promotion of TCDC as envisaged in the new directions strategy. As an important element of the new directions strategy, TCDC-INRES is being updated and expanded into a multi-dimensional user-friendly information system.

21. The TCDC technical cooperation framework for 1997-1999 will serve as the main instrument for implementing the new directions strategy. It will be facilitated by the separate allocation of funds by the Executive Board of UNDP and the setting up by the General Assembly of a Trust Fund for South-South cooperation. The allocation of $2 million by the Government of Japan for South-South cooperation has been used to fund a number of projects.

22. The framework document envisages activities in two broad categories, namely, support for sustainable human development objectives and promotion of TCDC. It also sets out the principles and criteria that will govern the implementation of the various programmes and projects to be carried out within this framework.

Consideration of reports of the Administrator

23. This report is in two parts. The first part deals with the implementation of the guidelines for the review of TCDC policies and procedures by the United Nations development system. The organizations of the United Nations development system have found the guidelines to be effective and they have facilitated the expansion of the use of TCDC. A number of these organizations have benefited from sensitization efforts and decentralization arrangements and many of them are continuing to elaborate these guidelines in accordance with their particular needs.

24. In view of the continued validity of these guidelines, it was decided to acquire more experiences with them before reporting to the Administrative Committee on Coordination. They will, however, be reviewed in the meeting of the agency focal points following the High-level Committee meeting.

25. The second part deals with organizational and supportive arrangements for TCDC. Information on staffing of the Special Unit and the resources available for programming during the biennium is provided. During the 1992-1996 cycle,

the Unit allocated $11.4 million for the funding of various projects. In 1996 it also received an allocation of $2 million from Japan. For 1997-1999 the resource availability is estimated at $16.9 million and additional funds are expected from the Trust Fund for South-South cooperation.